

SENATE BILL 1795

By Ketron

AN ACT to amend Tennessee Code Annotated, Title 56,
relative to commercial risk insurance.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 56-5-106(a)(1), is amended by deleting the subdivision and substituting instead the following:

Except as provided in subsections (b), (c), and (d), every insurer of commercial risk insurance shall file with the commissioner all rates, supplementary rate information, policy forms, and endorsements, not later than fifteen (15) days after the effective date. Upon request of the commissioner, supporting information shall also be filed.

SECTION 2. Tennessee Code Annotated, Section 56-5-106, is amended by adding the following new subsection (b) and redesignating the remaining subsections accordingly:

(b)

(1) The following insurance coverages are exempt from filing requirements with respect to rates, supplementary rate information, policy forms, and endorsements, where applicable under this chapter, whether the insurance coverage is endorsed to or sold as a stand-alone policy:

(A) Inland marine risks that by general custom of the business are not written according to manual rules of rating plans;

(B) Boiler and machinery;

(C) Environmental impairment/pollution liability;

(D) Kidnap and ransom;

(E) Political risk or expropriation;

(F) Employment practices liability;

(G) Media liability; and

(H) Product liability, product recall, and completed operations.

(2) The exemption from filing requirements in this subsection (b) does not affect any other requirements of this title, including those applicable to cancellation of commercial insurance policies.

(3) The insurer shall deliver to the insured and the producer of record a copy of a policy issued pursuant to this subsection (b). The policy may be delivered to the applicant or policyholder electronically and must contain a disclaimer in language the same as or substantially similar to the following:

The rate provided for in this policy and all forms utilized are exempt from the filing requirements of Tenn. Code Ann. § 56-5-106. The forms that make up this policy contract are exempt from the filing requirements of Tenn.

Code Ann. § 56-5-106.

SECTION 3. Tennessee Code Annotated, Section 56-5-107(d)(1)(A), is amended by deleting the language "§ 56-5-106(c)" and substituting instead the language "§ 56-5-106(d)".

SECTION 4. Tennessee Code Annotated, Section 56-5-122(a)(1)(D)(iv), is amended by deleting the language "of more than two hundred fifty thousand dollars (\$250,000)" and substituting the language "of at least two hundred thousand dollars (\$200,000)".

SECTION 5. This act shall take effect upon becoming a law, the public welfare requiring it.